MOTOR TRANSPORT BOARD

ANNUAL REPORT

1990 - 91

Yukon

Community and Transportation Services

92-02827/

MOTOR TRANSPORT BOARD

ANNUAL REPORT

For the Year Ending

March 31, 1991

Motor Transport Act

Section 11

THE BOARD

1. Statutory Authority

The Motor Transport Board is appointed pursuant to Section 3 of the Motor Transport Act.

2. Membership

Chairperson	Arthur Christensen	Whitehorse
Vice Chairperson	Jean Murphy	Whitehorse
Member	Byrun Shandler	Dawson City
Member	Pat Hayduck	Whitehorse
Member	Al Tomlin	Haines Jct.
Member	Sharon Miller	Watson Lake

3. Government Support Staff

Secretary	Kim Bicudo
Assistant to the Secretary	Margret Njootli

4. Legal Counsel

Barrister & Solicitor	Paul O'Brien

5. Office Location

Lynn Building
308 Steele Street
Department of Community and
Transportation Services
Whitehorse, Yukon

6. Mailing Address & Telephone

Government of Yukon
P.O. Box 2703
Whitehorse, Yukon
Y1A 2C6

Telephone (403) 667-5782

Telefax (403) 668-7864

7. Reporting

The Board reports to the Minister, Department of Community and Transportation Services.

THE BOARD'S MANDATE

To govern, in the public interest, highway transportation in and for the Yukon Territory.

THE BOARD'S MISSION

To effectively manage intra and extra territorial commercial highway transportation for maintaining a safe and fair competitive environment within the Yukon Government and agreed national policy toward benefiting the public.

THE BOARD'S OBJECTIVE

To ensure a safe highway transportation system is maintained, in the public interest, for the betterment of the economic and social development of Yukon and Canada, in the movement of goods and people.

THE REGULATORY PROCESS

Regulatory reform, the Motor Vehicle Transport Act (MVTA) was enacted by the federal government on January 1, 1988. A five years (1993) transition period was provided for monitoring it's effects on the Canadian Transportation Industry. The concepts of regulatory reform; deregulation, reverse onus and public interest, are all supported by the Canadian Transportation Industry. New regulatory processes were implemented across Canada for processing applications for extra provincial operating authority.

In September of 1988 the Yukon Government passed a new Motor Transport Act (MTA). The Yukon adopted the MVTA concepts which changed the regulatory process for intra territorial applications for operating authority.

The local trucking industry voiced concerns that the new regulatory process, for intra territorial applications, was having an adverse effect on the local industry. Their concerns were addressed through the public hearing process and are summarized in this report under BOARD ACTIVITIES #2. Public Hearings.

The new regulatory process resulted in some "growing pains" for the Board, it's administrative staff, and the industry. The Board is confident that measures such as:

- policy development;
- recommendations for legislative change;
- conditional licencing;

THE REGULATORY PROCESS Con't.

- a full six (6) member Board; and
- full support staff;

have contributed to addressing the challenges of the new regulatory process.

BOARD ACTIVITY

1. Budget

The Board's expenditures were as follows:

	1990/91	1989/90
Travel	$ 2,970.00	$ 4,888.99
Honoraria	10,500.00	9,475.00
Legal Consultation	7,123.00	6,335.16
Public Hearing Expenses	5,950.00	6,815.71
Advertising	3,875.00	3,284.14
Communications, Supplies & Miscellaneous Expenses	3,493.00	3,313.53
TOTAL	**$33,911.00**	**$34,112.53**

2. Public Hearings

Four (4) Public Hearings were conducted in April 1990. The following is a summary of the hearings and decisions.

Hearing #1 - April 25, 1990

ALASKA DIRECT TRANSPORT, INC.	applicant
NORTH WEST STAGE LINES	objector

This application was for bus authority to provide a scheduled bus service between Whitehorse, Yukon and Anchorage, Alaska (intra and extra territorial).

2. Public Hearings Con't.

The objector addressed:

- his commitment to provide a reliable and on-time bus and small package freight service to all communities on the North Alaska Highway;

- the profitability of his operations - that the North Highway route is not profitable and is subsidized by cash flow from other routes; AND

- the stability, dependability and viability of bus services to Yukon communities in a competitive environment;

The applicant addressed:

- a market analysis indicating a significant demand for passenger travel between Anchorage and Whitehorse which is only serviced by air;

- the use of 47 passenger highway coaches and more substantial resources, encompasses a much larger market and facility than that presently operated by the objector; AND

- the intent to provide a year-round scheduled service between Whitehorse and Anchorage, and to establish a base for it's operations in Whitehorse.

Decision:

The Board granted the application of Alaska Direct Transport Inc. subject to the following conditions of licence:

a) The applicant shall provide year-round service with a minimum of once weekly service for scheduled bus service.

b) The Applicant shall provide and maintain a year-round staffed office facility in Whitehorse to include washroom and passenger waiting room areas.

c) The Applicant shall operate highway coaches with a minimum rated seating capacity of 24 persons when providing services pursuant to this operating authority.

2. Public Hearings Con't.

Hearings #2, 3 and 4 - April 26, 1990 and May 15, 1990

A & K Mining & Excavating Ltd., Mid Arctic Transportation Co. Ltd., and T & T Trucking Ltd.	}	APPLICANTS
Yukon Transportation Association (10 Specified Companies)		OBJECTORS

These three applications varied, in types, commodities, and routes, but the objection was generic and applied to all three applications (intra territorial only).

The objectors addressed:

- The the number of existing intra territorial authority holders and current market shares.

- A need for local industry to maintain a large market share to subsidize less profitable, but much needed, year-round services to Yukon communities.

- "Outside" carriers can remove approximately 20% of the Yukon market share without investing in the local economy. They will operate at their own convenience and not at that of the customer.

- Probable consequence of open competition in Yukon.

Decisions

Although there was no evidence in support of the objectors' argument, the Board was concerned with open competition as opposed to equal competition. The three applications were granted subject to the following conditions of licence:

a) The applicants be available for operation, in Yukon, under their authorities on a year-round basis.

b) The applicants establish and maintain a year-round business telephone directory listing in Yukon.

2. Public Hearings Con't.

c) prior to commencement of service provide and maintain a year-round base of operation in Yukon staffed by either a full time employee or agent including:

i) telephone service available during all normal business hours; and

ii) an operational warehouse facility of at least 500 sq. ft. in area, including refrigeration and cooler service sufficient for proper storage of perishable goods.

As a result of these decisions:

Alaska Direct Transport opened an office and depot in Whitehorse. It currently operates a year round open door scheduled bus service between Whitehorse, YT and Anchorage, Alaska.

A & K Mining & Expediting Ltd. did not meet the conditions of licence and was denied intra territorial operating authority.

Mid Arctic Transportation Co. Ltd. opened an office with warehouse facilities in Whitehorse. It currently operates a year round service transporting general merchandise within Yukon.

T & T Trucking (Alberta) Ltd. did not meet the conditions of licence and was denied intra territorial operating authority.

The Board is confident that these decisions will promote equal competition within the trucking industry which, in the long term, is in the public interest. As a result of these decisions, the Board adopted policy on future issuance of intra territorial operating authority. All intra territorial applications, where no objection is received, will be granted subject to conditions of licence.

3. Business Meetings

The Board conducted 12 business meetings in 11 days to:

- conduct the final review of Initial and Renewal applications for operating authority;

3. Business Meetings Con't.

- deliberate and provide written reasons for Public Hearing decisions;

- discuss and develop policy and procedures;

- identify, review and conclude recommendations for legislative change; AND

- address miscellaneous operational and ongoing business;

4. Certificates and Temporary Certificates

The Board has completed in excess of 60% of the certificate renewals for the applicable operating authorities. A total of 133 certificates of operating authority were renewed, leaving a total of 365 Certificates in force at year end. This process identified 53 expired or non-utilized authorities which was offset by an increase in the number of new authorities issued.

Temporary Certificates are single trip authority, limited to six (6) per company per calendar year. Weigh stations issued a total of 265 Temporary Certificates of Operating Authorities which was consistent with the last fiscal year.

5. Review of Certificates

The Board continues to review certificates on an individual basis in accordance with section 43 of the MTA.

6. Policy Development

The Board developed and adopted a number of policies and procedures and is continuing work on the production of a Policy & Procedural Manual.

7. Recommendations for Legislative Changes

The Board conducted a review of the new regulatory process and identified several issues of concern. A preliminary report, recommending legislative changes was prepared with a submission target date of August 1991.

GENERAL

The Board awaits the opportunity to review the recent Motor Transport Industry Economic Study commissioned by the Department of Community and Transportation Services. We hope that this study will assist in our decision making process by providing evidence on the economic status of the local transportation industry.

The Board takes this opportunity to thank all departmental staff for their support and cooperation.

Respectfully submitted,

Art Christensen
Chairperson
Motor Transport Board

Date: May 24, 1991